

THE HONORABLE JOHN C. COUGHENOUR

UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF WASHINGTON  
AT SEATTLE

NIKOLAY KOZLOV, and NATALIYA  
KOZLOVA, husband and wife,

Plaintiffs,

v.

FEDERAL DEPOSIT INSURANCE  
CORPORATION, as Receiver for  
WESTSOUND BANK; and WSB  
FINANCIAL GROUP, INC.,

Defendants.

Case No. C09-1109-JCC

ORDER

This matter comes before the Court on Defendant WSB Financial Group, Inc.’s (“WSB’s”) motion for summary judgment (Dkt. No. 21) and Defendant Federal Deposit Insurance Corporation’s (“FDIC’s”) motion for summary judgment (Dkt. No. 24). Plaintiffs failed to respond to either motion for summary judgment. Having thoroughly considered the parties’ briefing and the relevant record, the Court grants the motions for summary judgment for the reasons explained herein.

WSB asserts that as the “parent bank holding company” of Westsound Bank—the bank with whom Plaintiffs borrowed money on two occasions to acquire parcels of real property (Compl. 13–16 (Dkt. No. 1))—it is not liable for the acts of its subsidiary (WSB’s Mot. Summ. J. 1–2 (Dkt. No. 21)). FDIC, receiver for Westsound Bank, asserts that Plaintiffs’ claims are time barred by the one-year statute of limitations under the Truth in Lending Act (“TILA”) and

1 the Real Estate Settlement Procedures Act (FDIC's Mot. Summ. J. 1 (Dkt. No. 24)) and that  
2 Plaintiffs waived their other claims by not properly seeking remedies before Westsound Bank  
3 foreclosed on the properties (*id.*). The Court considers Plaintiffs' failure to file a response to  
4 both motions as an admission that the motions have merit. *See* Local Rules W.D. Wash.  
5 7(b)(2). Moreover, the record and case law support Defendants' positions. *See United States v.*  
6 *Bestfoods*, 524 U.S. 51, 61 (1998) ("It is a general principle of our corporate law deeply  
7 ingrained in our economic and legal systems that a parent corporation . . . is not liable for the  
8 acts of its subsidiaries." (quotation marks omitted)); *Minton v. Ralston Purina Co.*, 47 P.3d  
9 556, 397-98 (Wash. 2002) (citing *Bestfoods*); *Meyer v. Ameriquest Mortg. Co.*, 342 F.3d 899,  
10 902 (9th Cir. 2003) (enforcing TILA's one-year statute of limitations even if it runs from the  
11 time the plaintiff discovered or should have discovered the acts constituting the alleged  
12 violation); 12 U.S.C. § 2614 (imposing a one-year statute of limitations for alleged violations  
13 of 12 U.S.C. § 2607); *In re Marriage of Kaseburg*, 108 P.3d 1278, 1285 (Wash. Ct. App 2005)  
14 ("A person waives the right to contest the underlying obligations on the property in foreclosure  
15 proceedings when there is no attempt to employ the presale remedies under RCW 61.24.130.").  
16 And Plaintiffs cannot rely merely on the assertions in their pleadings to overcome the motions  
17 for summary judgment. Fed. R. Civ. P. 56(e)(2); *Celotex Corp. v. Catrett*, 477 U.S. 317, 323  
18 (1986).

19 Accordingly, the Court GRANTS the motions for summary judgment (Dkt. Nos. 21,  
20 24).

21 DATED this 23rd day of November, 2010.

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John C. Coughenour  
UNITED STATES DISTRICT JUDGE